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Viewing cable 06MANAGUA2249, FSLN MOUNTING STRONG CAMPAIGN, CONVINCED OF VICTORY

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- The middle box contains the header information that is associated with the cable. It includes information about the receiver(s) as well as a general subject.
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Reference ID	Created	Released	Classification	Origin
06MANAGUA2249	2006-10-11 00:12	2011-08-30 01:44	CONFIDENTIAL	Embassy Managua

Appears in these articles:

<http://www.nacion.com/2011-05-30/Mundo/NotasSecundarias/Mundo2758456.aspx>
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DEPARTMENT FOR WHA/CEN

E.O. 12958: DECL: 10/03/2026

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SUBJECT: FSLN MOUNTING STRONG CAMPAIGN, CONVINCED OF VICTORY

11. (C) SUMMARY: Poloffs recently met with Sandinista National Liberation Front (FSLN) dissident Alejandro Martinez Cuenca and FSLN foreign affairs director Samuel Santos to discuss the party's progress in the election campaign and examine the FSLN governing platform. Both figures reported that the FSLN remains the most organized political party in Nicaragua, claiming that the party's strength and a coherent, socially-focused, campaign give it an edge over competitors. Santos told Poloffs that his party is running on a platform based on promises to improve education and reduce poverty. He also suggested that an FSLN government would pursue, at least on some level, a decentralized, statist model to ensure the equitable distribution of the benefits of a strong economy. He noted that the FSLN will pursue a plan to construct an inter-oceanic canal in Nicaragua. Cuenca noted that the FSLN has the most resources of any party to mobilize voters on election day, but warned Poloffs that the FSLN is poised to win the elections by resorting to fraud if need be. He argued that the FSLN would govern using an ad-hoc strategy, and that the administration would focus on asserting its dominance by further politicizing public institutions and iron-fisted attempts to silence critics.
END SUMMARY.

12. (C) To get a better handle on how the Sandinista National Liberation Front (FSLN) view the campaign and what an FSLN government might look like, Poloffs on 28 September met with Sandinista dissident Alejandro Martinez Cuenca and Samuel Santos, a former FSLN mayor of Managua who remains close to Daniel Ortega. Receiving the perspectives of both a source highly critical of Ortega (Cuenca) and a party spokesman (Santos) proved insightful in that both agreed that the FSLN remains the strongest, most organized, political party in Nicaragua. Santos is convinced that a Sandinista win is inevitable. Cuenca argues that it is not too late to defeat the party, but that its defeat would almost certainly require the unification of the Nicaraguan Liberal Alliance (ALN) and Liberal Constitutional Party (PLC).

13. (C) The FSLN is the best organized political party in the campaign, has a clearly defined platform, has successfully avoided engaging in dialogue with the other candidates, and has taken advantage of the infighting among its competitors. The Sandinistas have spent more funds on their campaign than their competitors - local NGO Etica y Transparencia in a recent study said the FSLN has spent more than its competitors combined - and has dominated almost all of the recent local polls. The FSLN also enjoys the advantage of having significant sway over the judicial system and influence in the Supreme Electoral Council (CSE).

14. (C) Santos told Polcouns and POL TDYers that Daniel Ortega leads his closest competitor by 10 points and will easily win on 5 November. He discounted as biased or flawed the recent local polls showing Eduardo Montealegre gaining ground on Ortega. Santos was convinced that the Sandinistas could not fail to win given such a lead. As one of the FSLN's biggest advantages, he cited the 16 years of mismanagement and poor government by the Liberals, which gives his party the opportunity to present themselves as an alternative solution. (COMMENT: Santos did not cite a specific poll and Post has not seen any credible local poll that gives Ortega a 10-point lead. He is probably referring to one of the studies the FSLN has no doubt commissioned on its own. END COMMENT.)

15. (C) Cuenca posited similar opinions of the local polls and argued that the continued division between the ALN and PLC only increases the odds of an FSLN victory. Cuenca devoted a generous portion of the meeting to a passionate critique of Montealegre and his party, saying that the ALN is weak and that their confidence in local polls is "childish." Cuenca is convinced that the only way to defeat Ortega is to persuade Montealegre to drop out of the race and support PLC candidate Jose Rizo "for the good of the country." Cuenca said that the problem is not "who" can beat Ortega (i.e. a particular candidate), but rather "what party has the strongest structure." Discounting local polling trends as biased because of their tendency to undercount the rural vote, Cuenca maintained that the PLC remains the second most powerful force in Nicaragua and the only vehicle capable of defeating the FSLN. By contrast, the strength of the ALN and Sandinista Renovation Movement (MRS) lies in the consistently overestimated personal popularity of their headlining candidates. (COMMENT: Further, the resignation of Montealegre would not guarantee an Ortega defeat, as many of Montealegre's independent supporters might shift to the other anti-pact candidate with whom he sympathizes -- Edmundo Jarquin of the MRS -- rather than to the PLC. That said, mobilization of party supporters on November 5 will be crucial, and the ALN is cognizant that it requires a considerable infusion of funds to achieve this. END COMMENT.)

CUENCA: PARTY RESOURCES WILL DETERMINE THE ELECTION

16. (C) Cuenca argued that the deciding factor on election day will be which party is able to mobilize the most supporters by physically getting them to the polls. He said the FSLN will be expending significant resources to fund buses, trucks, and other vehicles to transport voters to the polls. Cuenca opined that only the PLC has the networks and resources to conduct such an operation. (COMMENT: Cuenca is far removed from both the PLC and ALN; thus, his assessment is likely based on the PLC's traditional strength, which has eroded over the past year. END COMMENT.)

17. (C) Cuenca mentioned that he had sent an emissary to the Atlantic Coast to determine the strength of the various political parties. He said the PLC remains strong in the Northern Autonomous Region, and that the results would be largely a repeat of the regional elections in March. He noted that the ALN has a very weak campaign presence in the area, and that the MRS is almost non-existent. He claims this to be true of other rural areas, including Esteli, Somoto, Jinotega, and Matagalpa.

FSLN PLATFORM BASED ON SOCIAL INITIATIVES AND HINTS OF
STATIST SOLUTIONS

18. (C) Asked to describe the Sandinista campaign platform, Santos said that the FSLN is focusing on a socially conscious

agenda with rural development, healthcare, and education as the primary issues. Santos argued that the benefits of Nicaragua's relatively stable macroeconomic growth in the last few years have failed to trickle down to the lower echelons of society. He claimed that as a result there are fewer children in school and a greater incidence of poverty. Santos noted that perhaps the most important social objective of the government would be to expand education opportunities for the average Nicaraguan and claimed that illiteracy rates have actually gotten worse since the 1980s, saying that they have increased by 35%. He told Emboffs that the key to improving poverty lies in reforming the rural sector by providing farmers with the opportunities to expand and improve their holdings. Santos claimed that one of the highest priorities for an FSLN government would be the creation of a development bank to support rural development projects and extend cheap credit to the rural sector.

¶9. (C) While discussing several of the campaign platform items, Santos alluded to the possibility that the Sandinistas would pressure the business sector, particularly financial institutions, into changing some of their practices. For example, he hinted that the Sandinistas would use their influence to force banks to ease their lending conditions. He also suggested providing various types of insurance to consumers under more favorable terms, but did not expand on whether he thought this would be done by forcing the private sector's hand or by offering a government-backed alternative.

¶10. (C) The FSLN's position on remittances also suggests that the state could intervene to reduce the charges imposed on money transfers by service providers. Santos complained that recent attacks against Ortega in the press that the FSLN would pass legislation to make sure all remittances were converted to cordobas vice dollars were unfounded. Instead, he indicated that change was desperately needed in regulating how much financial institutions could charge customers for the wire transfers. He indicated that in some cases people have to pay up to 20% (\$20 for every \$100) of the amount sent from abroad to family members in Nicaragua.

¶11. (C) In terms of how the FSLN would structure the overall government, Santos noted that the Sandinistas would change the balance of power between national and local levels. He said that the central government would cede greater authority and resources to the municipal governments, allowing the local governments to assume a larger role in implementing the FSLN social agenda. (COMMENT: Decentralizing authority to regional governments - which the Sandinistas dominate - may also be a solution to sidestep what could be a contentious National Assembly. Santos admitted that the Assembly will be composed of four or five parties, which will inevitably lengthen the time it takes to negotiate deals to pass legislation. Decentralizing may be an attempt to bypass the negotiation process as well as to avoid being prevented from carrying out their goals by Assembly opponents. END COMMENT.)

RESURRECTION OF THE NICARAGUAN CANAL PLAN

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¶12. (C) Santos also detailed his party's support for the construction of an inter-oceanic canal in Nicaragua via the San Juan River and Lake Nicaragua. The plan - which calls for a lock-based rather than sea-level design - would be completed in about 2019 and be financed and constructed in conjunction with a consortium of international businesses. Santos claimed the project would have a 22% return on investment, more than double GDP, and stimulate other sectors of the economy. He also claims that the FSLN has already received interest from potential investors in Brazil, Japan, and China.

¶13. (C) Santos reported that the canal plan would not strain Nicaragua's budget as all of the relevant funds would come from external sources. Nevertheless, he was cognizant of the fact that initial difficulties could impede getting the

project off the ground as it would require a vote in the Assembly to approve the plan, funding mechanisms, and set the rules for the bidding process. This would be overcome, however by the realization by nearly all involved that the project will benefit all Nicaraguans. He said "we cannot do it alone" but that it is a "national project." Santos claimed that the canal would in no way interfere with the Panama Canal, and that Ortega had discussed the matter with Panama's President Martin Torrijos. Santos also said that the FSLN is working closely with the Bolanos administration, including with President Enrique Bolanos himself and presidential adviser Frank Arana. (COMMENT: Bolanos has publicly backed the canal plan, and devoted some time to the subject during this week's Defense Ministerial. This cooperation between the President that the FSLN suggests that Bolanos continues to dialogue with the FSLN behind the scenes, probably in hopes of ensuring a relatively peaceful conclusion to his term in office and the chance to establish something of a positive legacy - Bolanos's approval ratings continue to be very low. END COMMENT.)

CUENCA: FSLN WELL-PLACED TO STEAL THE ELECTIONS

114. (C) Cuenca was convinced the FSLN will resort to fraud if it meant the difference between winning and losing the race. He assessed that given their influence in the Supreme Electoral Council (CSE), the Sandinistas would be able to steal the few points it would need to tip the scales in their favor. He commented that it was Ortega's influence in the CSE that prompted the CSE in September 2005 to deny Cuenca's request that the FSLN be compelled to hold open primaries - as stipulated in party bylaws. At the time, Cuenca was seeking to use primaries to challenge Ortega's leadership of the party.

115. (C) Cuenca reported that the FSLN will use a myriad of tricks to strengthen their vote, including using its influence over individual voting tables (JRVs) to annul the votes from those tables in which they are losing. More alarming, Cuenca suspects the FSLN is positioning itself to disrupt or prevent the electronic transmission of results from polling centers to the main repository. Cuenca claimed he has caught wind of several mass thefts of telephone cable from around the country, including in areas near JRVs. For example, near his house in San Juan del Sur - which is close to the local polling place - he said thieves recently made off with about 100 meters of telephone lines, leaving the surrounding area without external communication for days. He claimed that in Esteli there have been several reported cases of fiber optic lines being cut. He said he has asked Enitel, the local phone company in charge of overseeing the transmission of the results, to investigate the matter. Regardless of how fraud is engineered, Cuenca claimed it is bound to happen. "The FSLN and PLC have had five years to plan for this election," explained Cuenca.

116. (C) COMMENT: The final tally sheets from each voting center will be electronically submitted via scanner or fax to the CSE central computing center. Enitel officials have told POL TDYer that the cable thefts are a longstanding problem and not necessarily related to the election. One official noted that the price of copper has gone up over 300% thus prompting an uptick in wire thefts by criminals interested in selling the copper lining. END COMMENT.

CUENCA'S VERSION OF FSLN GOVERNMENT DARKER THAN SANTOS'

117. (C) Asked to comment on the Sandinista government plan, Cuenca said that the biggest danger of an Ortega government would be the lack of a coherent strategy. The agenda would most likely consist of a disparate mix of policies reflecting the input of various individuals Ortega has had to embrace for political expediency. Cuenca speculated, for example, that Jaime Morales Carazo and Brooklyn Rivera were probably

both promised some say in the direction of the government in return for their backing of the FSLN. He argued that this would prompt the government to begin operating on an ad hoc basis, which would provide an opening for Venezuelan influence to have more of an impact.

¶18. (C) While Cuenca said that Ortega would not immediately attempt drastic changes, the ultimate direction of his administration would be apparent by the guest list at his inauguration, which will include Evo Morales, Fidel Castro, and Hugo Chavez. Ultimately, Cuenca sees an Ortega government devolving into one of iron-fisted rule and rife with corruption. He expects that Ortega would show his true colors by attempting to restrict personal liberties. He noted that the government would particularly seek to reduce the ability of critics to disparage his government. He added that shortly after assuming office, Ortega would seek to further entrench his authority by appointing loyalists to key institutions with the only restriction that they do his bidding when asked, but who would otherwise be free to abuse the system as they see fit.

COMMENT: SANDINSTAS STRONG BUT NOT INVINCIBLE

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¶19. (C) COMMENT: Despite its significant financial resources, and focused message, the FSLN faces the same challenges that have prevented it from winning in the previous three elections. First, a majority of the population hold a strong antipathy toward Daniel Ortega and fear a return of the 1980s style government of repression and economic malaise. Second, recent polls indicate that Montealegre has been slowly gaining on Ortega. While the ALN candidate still trails Ortega by a few points in the polls, there remains a good chance that this trend will continue. A wide array of Embassy contacts (i.e. political parties, private sector, the Church, etc) have told us that much of the population will vote for whichever candidate has the best chance to defeat Ortega. This suggests that Montealegre would receive a boost closer to the elections, providing that his poll numbers remain sufficiently strong to convince the population that he is the one that can defeat Ortega. END COMMENT.
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